

## 2026 South Dakota Legislature

**Senate Bill 229****AMENDMENT 229A  
FOR THE INTRODUCED BILL**

1 **An Act to require an election to approve the issuance of certain capital outlay**  
2 **certificates, lease-purchase contracts, or installment purchase contracts.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That § 13-16-6.2 be AMENDED:**

5 **13-16-6.2.** The ~~school~~ board of any school district may issue capital outlay  
6 certificates to acquire or construct real property, plant, or equipment. All capital outlay  
7 certificates ~~shall~~ must be authorized, issued, and sold in accordance with the provisions  
8 of chapter 6-8B. ~~However, no election other than as provided in §§ 13-16-6.3 and 13-16-~~  
9 ~~6.4 may be held, and the, except as otherwise provided in § 13-16-6.4. The~~ certificates  
10 may not have a maturity date in excess of twenty years from the date of issuance.

11 **Section 2. That § 13-16-6.3 be AMENDED:**

12 **13-16-6.3.** Any ~~A~~ proposed installment purchase contract, ~~or~~ lease-purchase, or  
13 ~~issue~~ issuance of capital outlay certificates authorized pursuant to § 13-16-6 or 13-16-6.2  
14 which will obligate the school district for future payments on the principal, the total of  
15 which will exceed one and one-half percent of the taxable valuation of taxable property  
16 within the district ~~fifty thousand dollars,~~ may not be entered into, or certificates issued,  
17 unless prior thereto the school board conducts a public hearing thereon after having given  
18 notice by publication at least twice in its official newspaper at least ten days before the  
19 hearing. ~~Upon~~ Except as otherwise provided in this section, the approval of the board  
20 during the hearing, the board may approve the action or may ~~shall~~ refer the matter to the  
21 voters of the district.

22 Capital ~~A~~ proposed installment purchase contract, lease-purchase, or issuance of  
23 outlay certificates authorized pursuant to § 13-16-6 or 13-16-6.2, which obligate the  
24 district to future payments, or with a maturity date, in excess of ten years, may not be  
25 issued or entered into unless ~~prior thereto the school board conducts a public hearing after~~

1 ~~having given notice by publication at least twice in its official newspaper at least ten days~~  
2 ~~before the hearing. Upon the approval of the board during the hearing, the board shall~~  
3 ~~refer~~ refers the matter to the voters of the district.

4 **Section 3. That § 13-16-6.4 be AMENDED:**

5 **13-16-6.4.** ~~Approval~~Except as otherwise provided in this section, approval to  
6 enter into an agreement ~~or issue capital outlay certificates~~ pursuant to § 13-16-6.3 is  
7 subject to a referendum if five percent of the registered voters, based upon the total  
8 number of registered voters at the last preceding general election, petition, within twenty  
9 days thereafter, to have the question of approval to enter into the agreement or issue  
10 capital outlay certificates placed upon the ballot ~~at a~~. The board of a school district may  
11 issue capital outlay certificates pursuant to §§ 13-16-6.2 and 13-16-6.3, with a maturity  
12 date in excess of ten years from the date of issuance, only if the question of issuing the  
13 capital outlay certificates is approved by the voters of the district.

14 A special election called for that purpose and the purposes provided in this section  
15 must be held on:

- 16 (1) The first Tuesday after the first Monday in March;  
17 (2) The first Tuesday after the first Monday in June; or  
18 (3) The first Tuesday after the first Monday in November.

19 If the bond election is held on a date listed in subdivision (2) or (3) in an even-  
20 numbered year, the election must be held in conjunction with the regular primary or  
21 general election, respectively. When the election is held in conjunction with the primary  
22 or general election, the expenses and governmental responsibilities of a combined election  
23 must be shared in a manner agreed upon by the board of the school district and the boards  
24 of county commissioners involved.

25 The business manager shall give notice that the question is to be on the ballot at  
26 the regular or special election, as provided by law for school elections, and prepare official  
27 ballots therefor according to the provisions of this title. Approval of the question to enter  
28 into an agreement or issue capital outlay certificates requires an affirmative vote of at  
29 least sixty percent of those voting on the question.

30 If the question submitted to the voters at an election is not approved by the voters,  
31 the school board may, by resolution, place the question on the ballot at the next available  
32 election provided by this section.